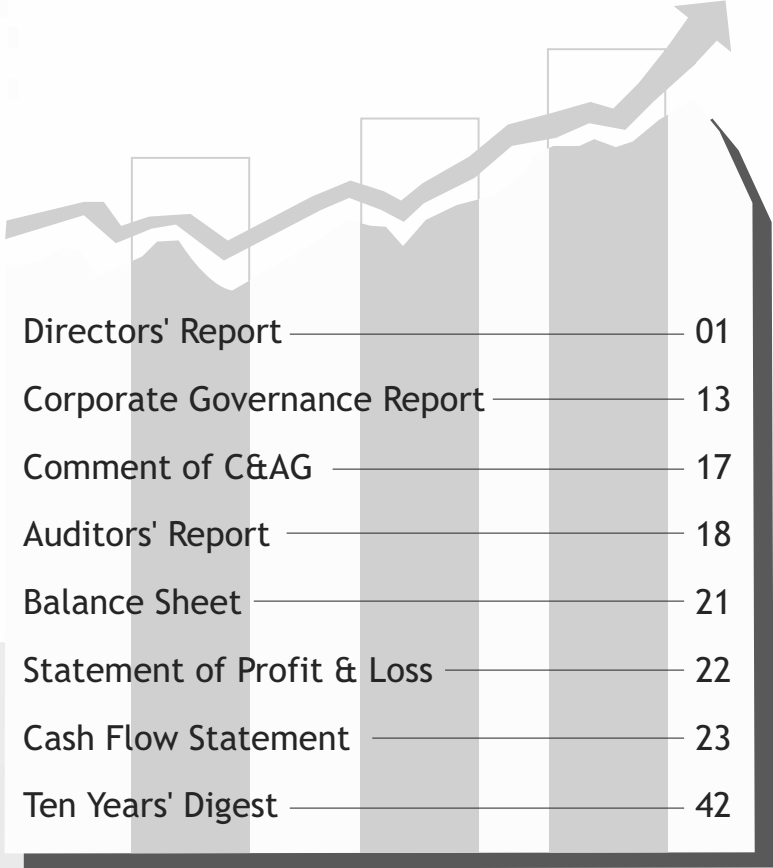




वार्षिक रिपोर्ट Annual Report 2011-2012



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BOARD OF DIRECTORS

Shri Mukesh Jha

Chairman & Managing Director

Shri Chandan Choudhuri

Director (Finance)

Shri M.K.Singh

Director (Project Management)

Shri R.K.Parmar

Government Nominee Director

Shri G.S.Gill

Independent Director

COMPANY SECRETARY

Smt.Rakhee Kar

BANKERS

1. State Bank of India
2. Bank of Maharashtra
3. Bank of Baroda
4. Indian Bank
5. ICICI Bank
6. YES Bank
7. Punjab National Bank
8. Bank of India

AUDITORS

M/s. R.Kothari & Co.

: Chartered Accountants

M/s. Agarwal Kejriwal & Co.

: Chartered Accountants

REGISTERED OFFICE

“ Kankaria Centre”, 5th Floor
2/1, Russel Street, Kolkata-700071

WORKS & ADMINISTRATIVE OFFICE

427/1, Grand Trunk Road
Howrah-711101

LEGAL ADVISORS

Leslie & Khettry

Zonal Offices

Mumbai :-

Ph. No. : (022) 2404 5401/5402/5404

“ Priyadarshini”, 1st Floor

Eastern Express Highway, Mumbai- 400 022

“ Bhakti Bhavan”, 1st Floor

Plot No.20, Sindhi Society, CST Road, Chembur,
Mumbai- 400 071.

Chennai :-

Ph. No. : (044) 2441 6480/2442 - 0318

K. R. Buildings, 2nd Floor, New No. 12 (Old No. 124A),

Lattice Bridge Road, Adyar
Chennai- 600020.

Delhi :-

(Liaison Office)

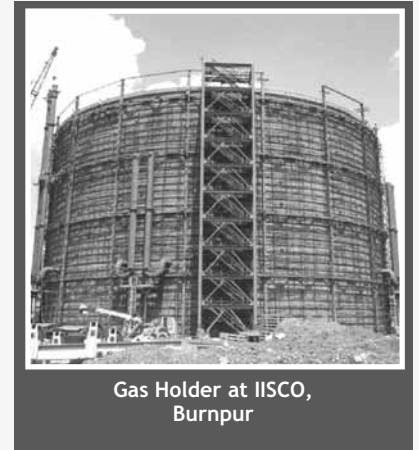
Ph. No. : (011) 2924 7917/8223

840, Chirag Delhi, New Delhi- 110 017

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2012

To,
The Shareholders,

On behalf of the Board of Directors, it is our pleasure in presenting to you the Annual Report on the working of the Company, together with the Audited Accounts for the year ended 31ST March 2012. The year 2011-12 was a year of slower economic growth resulting in cut throat competition in the Engineering, Procurement and Construction (EPC) Sector. However, the Company performed reasonably well inspite of such slowdown. As a matter of strategy, we are ramping up our operation to increase order booking and execution capability to increase visibility to our projects.



Gas Holder at IISCO,
Burnpur

1.0 FINANCIAL PERFORMANCE :

A) OPERATING RESULTS :

Salient features of Company's financial performance for the year under report vis-à-vis last year are as under:

	(₹ in crores)	
	2011-2012	2010-2011
Income	1265.11	1334.02*
Gross Margin	93.53	107.57
Interest	9.90	6.65
Depreciation	15.34	13.83
Profit Before Tax	68.29	87.09
Provision for Taxation	22.49	29.41
Dividend	2.75	1.65
Tax on Dividend	0.45	0.27
Transfer to General Reserve	42.24	55.44

* Difference of ₹ 52.69 Lakhs is due to inclusion of Net Foreign Exchange Gain in Total Income, in line with Revised Schedule VI. Previous Year's figures have been regrouped, recast & rearranged wherever necessary to conform to this year's classification.

B) DIVIDEND :

The Directors recommend a dividend of 5% -Five percent (last year 3% -Three percent) per Equity Share of ₹ 10/- each for the financial year ended 31ST March 2012, which if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders whose names appear in the Register of Members as on 20th September 2012.

C) CAPITAL :

Authorized capital of the company is ₹ 60 crores consisting of 6 crores Equity Shares of ₹ 10/- each.

Paid-up capital of the company as on 31ST March 2012, stands at ₹ 54.99 crores comprising of 5,49,87,155 equity shares of ₹ 10/- each, of which 5,46,27,155 equity shares are held by the President of India.

2.0 MANAGEMENT DISCUSSION AND ANALYSIS :

A) PERFORMANCE :

The Company achieved a turnover of ₹ 1265.11 crores during the year 2011-2012, as compared to ₹ 1333.49 crores achieved during the previous year. The Profit Before Tax was ₹ 68.29 crores as compared to ₹ 87.09 crores in the previous year.

Activity-wise performance is reported below:

PROJECT DIVISION :

Value of work done in Project activities during the year is ₹ 1226.00 crores as compared to ₹ 1285.09 crores last year. Important projects which are successfully completed during the year include -

Description	Location	Client	Value (₹ Crores)
Composite works for offsite & utilities and Additional Tanks in Road Gantry Area for Marketing Terminal at Guru Gobind Singh Refinery Project	Bathinda (Punjab)	HPCL-Mittal Energy Ltd.	270.19
Civil Work of Power Block-I, Erection and Commissioning of Boiler, Rotating Machines, Piping, etc. of DVC 2X500 MW Power Plant	Mejia (West Bengal)	Bharat Heavy Electricals Ltd.	133.46
Erection of Equipments, Piping, Painting, Insulation & other related Civil & Structural Works for Offsites in Refinery Area for Capacity Expansion cum Modernization Project	Kochi (Kerala)	Bharat Petroleum Corpn. Ltd.	79.75
Pile Foundation for 400 KV D/C Mundra - Jetpur Transmission Line under ATS to Mundra Ultra Mega Power Project	Mundra-Jetpur (Gujarat)	Power Grid Corporation of India Ltd.	47.51
Fabrication, Erection & Installation of Bus Bar for 168 nos. of POTs and Fabrication of Anode Stem Assembly for 1.25 MTPA Aluminium Smelter Expansion Project	Jharsuguda (Orissa)	Vedanta Alumina Ltd.	41.00
Fabrication & Erection of Piping, Painting & Insulation in OSBL Area, ETP-II Surge Tanks and Pads at EURO-IV Project in Manali Refinery	Chennai (Tamil Nadu)	Chennai Petroleum Corpn. Ltd.	33.74
Residual Design, Detail Engineering, Supply, Construction of 2 Nos. Vertical Cylindrical Heater of capacity 12.56 & 2.1 MMKCAL/HR for DHDT and NHDT Units of CPCL for Implementation of Euro-IV Project	Chennai (Tamil Nadu)	Engineers India Ltd.	27.69
Civil Works for Agripark Transit Godown with full cladding	Mundra (Gujarat)	Mundra Port & Special Economic Zone Ltd.	24.38
Civil Works at Dahej Backup Yard Development	Dahej (Gujarat)	Adani Petronet (Dahej) Port Pvt. Ltd.	23.64
Development of Hard Stand in between the existing Railway Line and proposed Engine Escape Line at the Backup Area of Berth No. - 2, Haldia Dock Complex	Haldia (West Bengal)	Kolkata Port Trust	22.66

HOWRAH WORKS :

During the year 2011-2012, performance of workshop at Howrah are detailed here under. Manufacturing work executed during this financial year includes the completion of the following major orders received from various clients:

- Manufacture and supply of 43 Nos. BTPN Wagon, 5 Nos. BOBYN Wagons & 19 Nos. BOXNHL Wagon for Railway Board New Delhi of Indian Railways. (Value ₹ 8.44 crores).
- Manufacture and supply of 1804 MT of Bailey Bridge components for Royal Government of Bhutan, Parties of Tripura & Arunachal Pradesh, AP PWD, HP PWD. (Value ₹ 18.60 crores).
- Fabrication and Supply of 1095 MT of Railway Bridge Girders of different spans for East Central Railway, Kalindee Rail
Nirman, Ircon International Ltd. (Value ₹ 10.58 crores).
- Manufacture & Supply of 63 Nos. Bunk Houses for RIL Sasan, KBUNL Muzaffarpur, NTPC-SAIL & B&R Project sites. (Value ₹ 2.68 crores).

B) RISK MANAGEMENT :

Your Company has put in place Risk Management System with the objective of having a balance approach towards business plan and to mitigate the associated risks through better management practices, resulting in greater degree of confidence amongst various stakeholders and adhering to good Corporate Governance practice. Risks associated with operations, environment, finance, human resources, legal, information security etc. and the degree of impact financially, it's likely effect on the assets, facilities and third parties are assessed regularly. In order to mitigate losses arising out of perceived risks, the procedures being adopted to contain the risks, as also the practices adopted during emergencies, including the communication system and mode of disseminating information are periodically reviewed and updated to minimize the impact on your Company. The Risk Mitigation and Strategy Plan in accordance with the Memorandum of Understanding signed between your company and the Ministry of Heavy Industry is under implementation from financial year 2012-13.



C) CAPITAL EXPENDITURE :

Company has incurred capital expenditure of ₹ 31.23 crores (previous year ₹ 18.34 crores) during the year mainly towards purchase of construction equipment, as a result, the equipment base of the Company has increased thereby enabling to participate in tenders for higher value jobs and was successful in securing some of them and ensuring improvement towards its productivity. The amount utilized for capital expenditure is fully financed through internal resources of the Company. No government assistance had been sought for.

D) FOREIGN EXCHANGE EARNINGS & OUTGO :

Foreign Exchange Earnings during the year was ₹ 0.48 crores. Expenditure in Foreign Currency for import of raw materials, capital goods etc. amounted to ₹ 0.24 crores as indicated in 'Notes Forming Part of the Accounts, Note 23(b) & (c).

In compliance with the requirements of Section 217(1)(e) of Companies Act, 1956, the particulars of Foreign Exchange outgo are appended in Annexure -II Schedule (Form- 'C') forming part of this report.

E) ORDER BOOKING POSITION :

Despite severe competition mainly from Private Sector companies, the Company with its sustained efforts secured order worth ₹ 1656.73 crores during the year 2011-2012 from Private as well as Public Sector clients compared to previous years order booking of ₹ 1331.73 crores.



Hooghly River Front Development Work of Kolkata Municipal Corporation



Indian Council for Cultural Relations at Kolkata for Ministry of External Affairs

Major Orders booked during the year:-

PROJECTS :

Description	Location	Client	Value (₹ Crores)
Civil & Structural Steel Work for BOTI Package for 2 X 700 MW Kakrapar Atomic Power Project (Unit 3&4) of Nuclear Power Corporation of India Ltd.	Kakrapar (Gujarat)	Dodsal Enterprises Pvt.Ltd.	180.51
Civil Superstructure Work and Erection, Testing, Commissioning etc. of Boiler & Auxilliaries of 1 X 500 MW Unit #3 for 2 X 500 MW Units at Sagardighi STPP of West Bengal Power Development Corporation Ltd.	Sagardighi (W.B)	Bharat Heavy Electricals Ltd.	167.54
Piling, Civil, Architectural & Structural Work of PHB, Boiler, ESP, ECP of 2 X 300 MW Power Plant of Haldia Energy Ltd.	Haldia (West Bengal)	Punj Lloyd Ltd.	120.52
Miscellaneous Civil, Architectural & Structural Steel work for Construction of 705 M X 15.64 M High Level Platform and Construction of Drains for BOP, CPP.	Lapanga (Orissa)	Aditya Aluminium	95.05
Erection, Commissioning & Trial Operation of Boiler, ESP, Rotating Machines, Auxilliaries, etc. of Boiler of Unit No. 3 at 3 X 600 MW Units of Prayagraj Power Generation Co. Ltd.	Allahabad (Uttar Pradesh)	Bharat Heavy Electricals Ltd.	80.95
Composite Works for CDU / VDU - II Revamp Project at Manali Refinery.	Chennai (Tamil Nadu)	Chennai Petroleum Corpn. Ltd.	68.60
Civil Works for Power Block Package for 2 x 660 MW Krishnapatnam Thermal Power Project.	Nellore (Andhra Pradesh)	BGR Energy Systems Ltd.	63.11
Mechanical & Structural Works and Fabrication & Erection of Offsite & Flare Pipelines for Phase-III Refinery Project.	Mangalore (Karnataka)	Mangalore Refinery & Petrochemicals Ltd.	54.59
Supply, Installation and Commissioning of RIM Seal Fire Protection System at Visakh White Oil Terminal, Roads, Equipment Erection & Piping Works for DHT Project.	Vizag (Andhra Pradesh)	Hindustan Petroleum Corpn. Ltd.	54.08
Civil Work comprising of Piling, STG including Deck, GTG, Utility Boiler, Foundation for HRSG, HRSG Chimney, Fans, Equipment Foundation, etc.	Dahej (Gujarat)	Bharat Heavy Electricals Ltd.	51.77
Erection, Testing & Commissioning of Plant & Equipment of BOF and CCP Complex at Bhilai Steel Plant.	Bhilai (Chattisgarh)	Steel Authority of India Ltd.	50.62



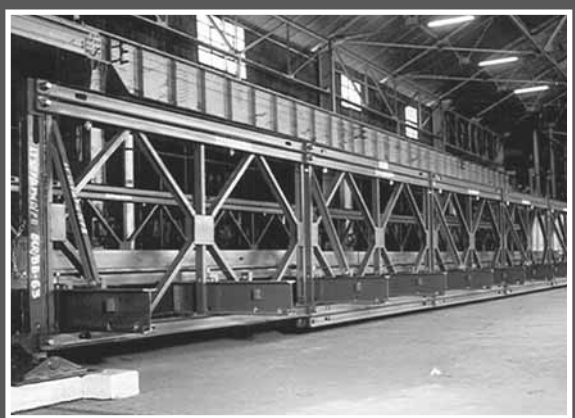
Tankage Work at MRPL, Mangalore



TG foundation for Captive Power Plant of Bhushan Energy Ltd., Meramandali

HOWRAH WORKS :

Description	Client	Value (₹ Crores)
Fabrication & Supply of 30.5 M and 45.7 M welded open web steel girders composite / plate girder as per standard RDSO drawing including transportation to nominated bridge sites in South Bihar and Jharkhand of quantity 1322 M.T.	Eastern Central Railway	4.71
Fabrication & Supply i/c transportation upto site 5x61 M span of rivetted type open web steel girders.	North Eastern Railway	11.35
Supply & Fabrication of 82 Nos. BG Bogie Railway Wagon of BOXNHL type for Indian Railway.	Indian Railways	14.11
Manufacture and Supply of various types of Bunk House.	NTPC - SAIL Power Company Pvt. Ltd. / Kanti Bijlee Utpadan Nigam Ltd. / Kalindee Rail Nirman (Engineers) Ltd. / Tata Hydro Power Pvt. Ltd. / Royal Govt. of Bhutan / Himachal Pradesh Power Corpn. Ltd.	13.08



Bailey Type Unit Bridge manufactured at Howrah Workshop



Bunk Houses, Porta Cabins manufactured at Howrah Workshop



Power Plant of Haldia Energy Ltd.



VDU Furnace at IOCL, Haldia

F) ENERGY CONSERVATION :

Continuous efforts to conserve energy are being taken by adopting various measures like person to person campaign to put-off lights, fans, A.C. Machines etc., wherever possible, and systematic periodical overhauling of all electrically operated machines. Energy Audits have also been conducted by External Experts followed by necessary corrective actions, as applicable.

A Report on Energy Utilisation is enclosed as per Annexure-III.

G) TECHNOLOGY, R&D AND QUALITY :

Under the impact of globalization, the market structure has undergone a major change. So, the Products and Services that the Company provides need continuous updating in technology as also improvement in quality. The Company has been continuously striving to update technology and upgrade quality standards alongwith R&D efforts. The Company has already established successful operations in many diversified areas such as Cross Country Pipeline, Highways and Expressways, POT Shells, Furnace and Heaters, Metro Rail at Delhi, Main Boiler Work in Thermal Power Station, Storage Silos for Alumina, Bailey Bridge, Railway Wagons, Water Supply and Sewerage Systems, LSTK Projects.

The Company has taken up the programme for updating of Quality Management System. The Company has already been awarded ISO 9001:2000 Certificates in Tank Construction and ISO 9001:2008 Certificates in Manufacture of Bailey Bridge, Wagon, Railway Bridge Girder & Bunk House. The Surveillance Audit has been carried out successfully by External Auditor M/s Det Norske Veritas (DNV).

In compliance with the requirements of Section 217(1)(e) of Companies Act, 1956, the particulars of Research & Development, Technology Absorption and Adaptation are appended in Annexure-I Schedule (Form 'B') forming part of this report.

3.0 HUMAN RESOURCE DEVELOPMENT :

Company emphasizes incorporation of Human Resource Management as an element of business strategy. It always considers employees as most 'valuable asset' or investment. The Company's HR system provides for enabling environment leading to enhanced levels of employee engagement, cost competitiveness, higher retention as also enhanced organizational effectiveness & profitability. Company also strives to provide for adequate opportunities to young & fresh talent. During this financial year, Company has recruited & absorbed 80 such candidates.

Company gives utmost priority to the Training and Development for generating more opportunities, facilities and necessary motivation to all employees which in turn helps the employee as well as the Company to grow effectively. This financial year Company has provided training for 160 employees apart from on job training.

Company is in the process to upgrade and implement its Performance Management System to judge the ability of an individual employee in more robust and transparent way.

A) REPRESENTATION OF SC/ST AND DISABLED :

Two formats prescribed vide DPE's OM No. 36035/17/2008-Estt(Res) dated 14th November 2008 have been furnished as Annexures to provide the status of representation of SC/ST, OBC and Disabled persons.

The representation figures of aforesaid categories of employees of the Company are annexed in annexure IV & V forming part of this annual report.

B) IMPLEMENTATION OF THE JUDGEMENTS/ORDERS OF THE CAT :

The Company is yet to be notified to be covered under the jurisdiction of Central Administrative Tribunal, in order to implement its judgement/orders.

C) PROGRESSIVE USE OF HINDI :

Official Language Implementation Committee (OLIC)-B&R is making all possible efforts to implement the Government Directives regarding the "Progressive Use of Hindi" and to enhance awareness of employees regarding its use in the day-to-day workings of the Company. To review and monitor the progress achieved in this regard, OLIC Meetings are held in each quarter. Regular Hindi Classes are conducted in the Company's premises to impart knowledge of Hindi to the non-Hindi knowing employees. So far 350, 303 and 279 employees had passed the Hindi Prabodh, Praveen & Pragya Examinations respectively (upto November 2011). 'Cash Awards' and 'Personal Pay' are granted to the employees for passing the above Hindi Examinations as per Government Directives. "Rajbhasha Pakhwada" was observed from 14th to 28th September 2011 and various Hindi Programmes/Competitions etc. were organized during the 'Pakhwada'. To create interest amongst employees, One Hindi word/phrase with its English equivalent is written on White Boards and displayed at prominent places in the Office Premises.



4.0 HEALTH, SAFETY, ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL :

Our Company has strong Health, Safety and Environmental policies. The policies ensure that the plants are operated with utmost care and no hazards or mishaps take place and are carried out complying with applicable Laws and Rules. Internal Audits and management reviews are undertaken regularly to identify if improvements are required to be undertaken.

5.0 CSR ACTIVITIES :

Company is continuing its CSR activities as per DPE Guidelines through its B&R Vishwakarma Scheme of Skill Development by the implementing partner agencies viz Ramkrishna Mission Shilpamandira Community Training Centre (RKMSCTC) & Don Bosco Self Employment Research Institute (DBSERI) for development of unemployed, uneducated and distressed youths of the Community. So far 164 youth have been trained through Company's B&R Vishwakarma Scheme of Skill Development. Company is on course for widening its CSR activities in the coming days, besides capacity building/utilization of its existing partner institutions.

6.0 CORPORATE GOVERNANCE :

Corporate Governance report is annexed and forms part of this report.

7.0 AUDIT COMMITTEE :

The Board of Directors reconstituted the Audit Committee consequent upon appointment of Shri R.K.Parmar as Part-time Official Director of the Company vice Shri D.Jana, with effect from 13.10.2011 pursuant to Order No. 7(3)/98-PE.IV dated 13th October 2011 received from the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry), Government of India.

Four meetings of the Audit Committee were held during the Financial Year 2011-12.

In May 2012, the Audit Committee was further reconstituted on receipt of Order No. 3(16)/2010-PE.IV dated 01.05.2012 from the Ministry of Heavy Industries & Public Enterprises, Dept. of Heavy Industry, Govt. of India, mentioning that, the extension of tenure of Shri Mukesh Jha, as Chairman & Managing Director, Bridge & Roof Company (B&R) beyond 30.04.2012 was not approved by Appointments Committee of Cabinet (ACC). The Audit Committee was then re-constituted comprising of the following available members Shri G.S.Gill, Director, Shri R.K.Parmar, Director and Shri M.K.Singh Director (Project Management). Shri C.Choudhuri, Director (Finance) was the permanent invitee in the Audit Committee meeting. Shri G.S.Gill continued to be the Chairman of the Audit Committee.

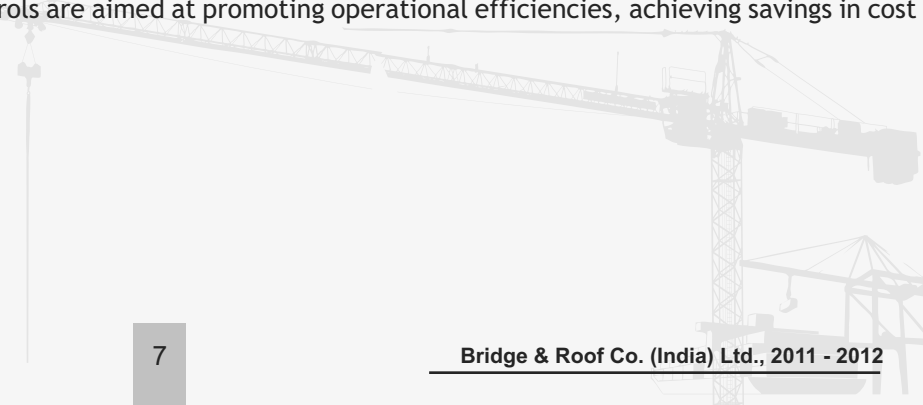
8.0 DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state as follows :

1.	That in the preparation of the Annual Accounts for the financial year ended March 31 st 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2.	That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3.	That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4.	That they had prepared the Annual Accounts on a going concern basis.

9.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has established adequate internal control systems in respect of major areas of operations with regard to all the sites of the company under execution. Such controls are aimed at promoting operational efficiencies, achieving savings in cost and overhead in respective business operations.



10.0 ERP SYSTEM IMPLEMENTATION ON PURCHASE & INVENTORY CONTROL MODULE :

B&R Howrah Works have implemented the on-line system of Purchase & Inventory control module from 1st May 2011.

11.0 QUALITY MANAGEMENT SYSTEM :

We have implemented ISO 9001:2008 Quality Management System for entire Howrah Works Division for all product ranges (i.e. Wagons, Bailey Bridges, Bridge Girders and Bunk Houses) and have been certified by DNV for the same. Our 1st periodic audit in F.Y.2012-13 by DNV took place in May 2012.

12.0 DIRECTORS :

Pursuant to Order No. 7(3)/98-PE.IV dated 13.10.2011 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, Shri R.K.Parmar was appointed as Part-time Official Director on the Board of the Company with effect from 13.10.2011 vice Shri D.Jana.

Pursuant to Order No. 3(16)/2010-PE.IV dated 01.05.2012 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, the extension of tenure of Shri Mukesh Jha, as Chairman & Managing Director, Bridge & Roof Company (B&R) beyond 30.04.2012 was not approved by Appointments Committee of Cabinet (ACC).

Pursuant to Order No. 3(16)/2010-PE.IV dated 11.05.2012 received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Government of India, New Delhi, the Competent Authority entrusted the additional charge of the post of Chairman & Managing Director, Bridge & Roof Co.(India) Limited (B&R) to the senior most Functional Director, Shri Chandan Choudhuri, Director (Finance), Bridge & Roof Co.(India) Limited, with immediate effect, for a period of three months, or until further orders, whichever is earlier.

13.0 MEMORANDUM OF UNDERSTANDING WITH GOVERNMENT OF INDIA :

Bridge & Roof Co.(I) Ltd. was given an 'EXCELLENT RATING' with a MOU Composite Score of 1.37 for the year 2010-11 based on Audited data as per O.M No. 3(4)/2011-DPE (MOU) dated 20.12.2011 received from the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, MOU Division. The Company expects "Good" rating in the current year 2011-12.

14.0 VIGILANCE :

Vigilance department under the guidance of Chief Vigilance Officer has strived to emphasize in its activities an environment of proactive vigilance, the importance of transparency and adherence to systems and procedures as per the norms prescribed by CVC, DPE and DOPT from time to time keeping in view, the ever changing environment of the construction industry in mind. The emphasis has been more on preventive vigilance rather than mere fault finding in acts and omissions arising out of commercial decision making.

15.0 STATUTORY AUDITORS :

The Government of India appointed M/s. R.Kothari & Co., Chartered Accountants, Kolkata and M/s. Agarwal Kejriwal & Co., Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Accounting Year 2011-2012 under Section 619(2) of the Companies Act, 1956.

16.0 ACKNOWLEDGMENT :

The Board takes this opportunity to express its deep sense of appreciation and gratitude for the support, guidance and assistance received from the Department of Heavy Industry, the Ministry of Heavy Industries & Public Enterprises, State Government, Bankers, valued clients, customers, Comptroller & Auditor General of India and above all to the employees for their dedication and commitment. The Directors are confident of receiving their support and co-operation in the coming years.

For and on behalf of the Board of Directors

Place : Kolkata
Dated :27th August, 2012

SHRI CHANDAN CHOUDHURI
Director (Finance)

SHRI M.K.SINGH
Director (Project Management)

SMT.RAKHEE KAR
Company Secretary

**ANNEXURE TO THE DIRECTOR'S REPORT
FORM 'B'**

ANNEXURE I

RESEARCH, DEVELOPMENT AND DIVERSIFICATION YEAR 2011-2012

1. Specific areas where Research, Development and Diversification was carried out :-

- a) Cross Country Pipeline.
- b) Manufacture of POT Shells.
- c) Main Boiler Work in Thermal Power Station.
- d) Manufacture of Railway Wagons.
- e) Furnace and Heaters.

2. Benefits derived as a result of Research, Development and Diversification :-

- a) Receiving Order for Cross Country Pipeline.
- b) Receiving Order for POT Shells.
- c) Receiving Order for Main Boiler Work.
- d) Receiving Order for different types of Wagon.
- e) Receiving Order for Furnace and Heaters.

3. Future R&D Plan :-

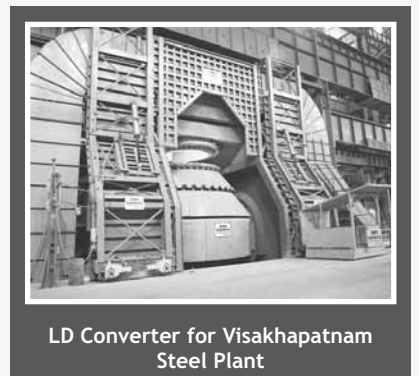
- a) Modernisation of Steel Plants.
- b) Manufacture of Pressure & Non-Pressure Vessels.
- c) Flyover Construction.
- d) Pumped Storage/Hydel Projects.
- e) Fire Fighting System.

4. Expenditure in R&D in 2011-2012 :-

Capital : ₹ NIL
 Revenue : ₹ 16,09,872/-
 TOTAL : ₹ 16,09,872/-

5. Technology Absorption and Adaptation :-

Residual Design and Detail Engineering for EURO-IV Heater LSTK Project.	Our Engg. Associate STRUCTO-MECH CONSULTANTS	Technology Absorption is in progress.
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FORM 'C'

ANNEXURE II

FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1. Total Foreign Exchange used : ₹ 0.24 Crores
- 2. Total Foreign Exchange earned : ₹ 0.48 Crores

REPORT ON ENERGY UTILISATION

ANNEXURE III

1. Name of the PSE : **BRIDGE & ROOF COMPANY (INDIA) LIMITED**
(for Howrah Works only)

2. Products / Services of the PSE : Fabrication / Manufacture of the following products based on the clients design and drawing with necessary approval.

- Wagon / Structural (Bunk House / Freight Container / Bridge Girder).
- Bailey Bridge

3. Utilisation (Expenditure) of different forms of Energy & turnover during the last three years (Electricity, Diesel, Natural Gas - give details of each)

Sl. No.	Forms of Energy	2010-2011				2011-2012			
		Units Rate (₹)	Energy Expenditure (₹ /Lakh)	Turnover (₹ /Lakh)	%	Units Rate (₹)	Energy Expenditure (₹ /Lakh)	Turnover (₹ /Lakh)	%
1	Electricity	4.74	126.28	6239	2.02	5.07	112.95	4260	2.65
2	HSD	1122.97	1.855		0.03	1280.10	4.313		0.10
3	L.P.G.	37.33	9.141		0.15	44.01	11.06		0.25
	TOTAL		137.27		2.20		128.323		3.01

4. Details of Energy audit, if undertaken :

- When (Year) and by which agency : In the year 2011 - 2012, by
V.S.RAI ASSOCIATES
ENERGY MANAGEMENT CONSULTANT
TIRUPATI APARTMENT, FLAT-ID,
BD-205/206, KAMAL PARK, KOLKATA - 700101
- Amount paid for energy audit : ₹ 23500/-
- Did the energy audit cover entire PSE i.e. all units OR only part. If part, give details : Audit covers entire Howrah Workshop
- Total No. of recommendations given : There are 4 nos. of recommendations
- Specific recommendations of the energy audit and action taken thereon : Recommendations were given and actions reported

5. Steps / measures already been taken for the year 2011-12 against earlier recommendations:-

- Power Factor improvement
- Revision of Maximum Demand
- Normal billing instead of T.O.D
- Conversion of 500W / 250W HPMV / HAL into 28W T-5 fixtures
- Air leak management for compressors
- Energy saving with LED lamps

REPRESENTATION OF SCs, STs AND OBCs

ANNEXURE-IV

Groups	NUMBER OF EMPLOYEES				Number of appointments made during the previous calendar year											
	Total	SCs	STs	OBCs	By Direct Recruitment				By Promotion				By other Methods			
					Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Group-A	727	101	02	35	63	11	-	07	100	12	-	-	-	-		
Group-B	133	24	-	10	17	03	-	03	-	-	-	-	-	-		
Group-C	461	25	01	13	Nil	-	-	-	-	-	-	-	-	-		
Group-D (Excluding Sweepers)	255	23	03	06	Nil	-	-	-	23	-	-	-	-	-		
Group-D (Sweepers)	09	09	-	-	-	-	-	-	-	02	-	-	-	-		
TOTAL	1585	182	06	64	80	14	-	10	123	14	-	-	-	-		

REPRESENTATION OF PERSONS WITH DISABILITIES

ANNEXURE- V

Groups	NUMBER OF EMPLOYEES				DIRECT RECRUITMENT IN 2011						PROMOTION							
	Total	VH	HH	OH	No. of vacancies reserved			No. of Appointments Made			No. of vacancies reserved			No. of Appointments Made				
					VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group-A	727	-	-	06	-	-	-	-	-	-	-	NA	NA	NA	NA	NA	NA	NA
Group-B	133	-	-	-	-	-	-	-	-	-	-	NA	NA	NA	NA	NA	NA	NA
Group-C	461	02	01	07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group-D	264	03	03	04	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1585	05	04	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : (i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

Bridge & Roof Co. (I) Ltd. is continuously striving for promoting the principles of sound corporate governance norms through the development and adoption of highest standards of transparency, trust and integrity, performance orientation, responsibility and accountability, professionalism, social responsiveness, ethical business practices and commitment to the organization as a self discipline code for sustainable enrichment of stakeholder's value.

BOARD OF DIRECTORS :

Composition :

The Board of the Company has a mix of Executive & Non-Executive Directors. The present Board comprises of 2 whole-time Functional Directors including Chairman & Managing Director; 2 part-time Directors, 1 Director nominated by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Govt. of India and 1 Independent Director. The President of India appoints all the Directors of Bridge & Roof Co. (I) Ltd. All the Directors except CMD and whole-time directors are liable to retire by rotation and at least one third retire every year and if eligible, qualify for re-appointment.

The members of the Board, apart from receiving Directors' remuneration in case of Functional Directors and sitting fees in case of Independent Directors, do not have any material pecuniary relationship or transaction with the company, which in the judgment of Board may affect independence of judgment of Directors.

The composition of Board as on 31.3.2012 was as under:

Sl. No.	Name of Director	Category	No. of Directorship in other Board as on 31.03.12
1	Shri Mukesh Jha	Chairman and Managing Director - (Wholetime)	NIL
2	Shri Chandan Choudhuri	Director-Finance - (Wholetime)	NIL
3	Shri M.K.Singh	Director-Project Management - (Wholetime)	Chairman & Managing Director - 2
4	Shri G.S.Gill	Director-(Part-time Non-Official /Independent)	Director - 2 Chairman - 1
5	Shri R.K.Parmar	Director- Government Nominee	Director - 3

BOARD PROCEDURES :

1.0 As per the policy of the Company, apart from the matters which are required to be statutorily decided by the Board, all other major decisions involving investments and capital expenditure, mobilization of resources, Employee's compensation etc. and major issues such as quarterly performance, progress of projects, industrial relations, market scenarios, budgets and plans etc. are discussed in the meetings as regular agenda items by the Board. Detailed agenda notes are circulated generally about a week in advance of the Board meetings. During the year under review 5 (five) meetings were held by the Board on 27.05.2011, 15.07.2011, 14.10.2011, 14.11.2011 and 14.02.2012 and the attendance were as under:



Name of Directors	Number of meetings held	Number of meetings attended	Whether attended last AGM	Directorship in other companies	
				As Chairman	As Member
SHRI MUKESH JHA (WHOLE-TIME DIRECTOR)	5	5	YES	-	-
SHRI CHANDAN CHOUDHURI (WHOLE-TIME DIRECTOR)	5	5	YES	-	-
SHRI D.JANA (GOVT.NOMINEE/PART-TIME OFFICIAL DIRECTOR TILL 12.10.2011)	2	2	NO	-	4
SHRI R.K.PARMAR (GOVT.NOMINEE/PART-TIME OFFICIAL DIRECTOR FROM 13.10.2011)	2	2	NO	-	3
SHRI G.S.GILL (PART-TIME NON OFFICIAL DIRECTOR)	5	3	NO	-	-
SHRI M.K.SINGH (WHOLE-TIME DIRECTOR)	3	3	YES	2	-

1.1 Audit Committee :

The Board has constituted the following Committees to take decisions, review policies and systematize management process.

Audit Committee :

Pending appointment of requisite number of independent directors on the Board, the constitution of Audit Committee was not as per the Companies Act, 1956 and the DPE (Department of Public Enterprises) Guidelines on Corporate Governance 2010, therefore, the Board of Directors decided to constitute the Committee with the remaining directors on the Board. Audit Committee comprised of Shri D.Jana and thereafter Shri R.K.Parmar (Govt.Nominee Directors) with effect from 13.10.2011, Shri Mukesh Jha (Chairman & Managing Director), Shri Chandan Choudhuri (Director Finance) and Shri M.K.Singh (Director Project Management) as Members and Company Secretary as Secretary of the Committee. Shri G.S.Gill was the Chairman of the Committee. Shri Chandan Choudhuri (Director Finance) was the permanent invitee. The terms of reference to the Committee is in accordance with the requirement of DPE (Department of Public Enterprises) Guidelines on Corporate Governance 2010 and include inter-alia,

- Overseeing of the Company's financial reporting process and disclosure of information.
- Recommending the remuneration of Statutory Auditors.
- Reviewing with management, external Auditors and Internal Auditors of the adequacy of internal control systems, compliance with accounting standards, guidelines and statutes.
- Reviewing the financial statements and performance of the Company.
- The Committee is entrusted with power to seek information from any employee, to investigate, with the assistance of Internal Auditors, any activities/functions and to seek any external assistance if required.
- Discussion with internal auditors and/or auditors any significant findings and follow-up thereon.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

During the year 2011-12, the Committee reviewed the audits conducted by Internal Audit Department as per Audit Committee approved programme and gave directions and sought further investigations and examinations wherever necessary. The Committee also reviewed the financial statements before submitting to the Board and gave importance to the Internal Control Systems. All the recommendations of the Audit Committee were accepted and implemented.

During the year, four (4) meetings of the Audit Committee were held on 25.05.2011, 15.07.2011, 14.11.2011 and 14.02.2012 and the attendance was as under:

Name of Director / Member	Number of meetings held	Number of meetings attended
Shri D.Jana (Member till 12.10.2011)	2	2
Shri Mukesh Jha	4	4
Shri Chandan Choudhuri (Invitee Member)	4	4
Shri G.S.Gill (Chairman)	4	3
Shri R.K.Parmar (Member from 13.10.2011)	2	2

Remuneration Committee :

In accordance with the DPE (Department of Public Enterprises) Guidelines on Corporate Governance 2010, Remuneration Committee was reconstituted by the Board of Directors in November 2011 with following directors: Shri G.S.Gill (Independent Director), Shri R.K.Parmar, (Government Nominee Director) vice Shri D.Jana and Shri Chandan Choudhuri, Director (Finance).

The terms of reference to the Committee is in accordance with the requirement of DPE (Department of Public Enterprises) Guidelines on Corporate Governance 2010.

During the year, one (1) Remuneration Committee meeting was held on 14.11.2011.

1.2 Remuneration/Sitting fee :

Functional (Executive) Directors are appointed by President of India in accordance with Article 15 of the Articles of Association of your Company and their remuneration and other terms and conditions are governed by the terms of appointment as decided by the Government. While the Chairman and Managing Director is appointed in Schedule 'B' scale i.e. 75000-90000/-, the other Functional Director are in Schedule 'C' scale i.e. 65000-75000/-. All the other terms and conditions of appointment such as accommodation, provision of car etc. are same for all and are specified in their respective appointment orders and any other terms not specified in the said order are in accordance with the rules applicable to the employees of your Company. Remuneration paid to the Directors during the year is as under :

Name	Salary & benefits (incl. arrears)
Shri Mukesh Jha (Chairman-and-Managing Director)	25,46,924/-
Shri Chandan Choudhuri Director (Finance)	18,71,457/-
Shri M.K.Singh Director (Project Management)	11,13,883/-

No Performance-Linked Pay was paid during the year 2011-12.

The Non-Executive independent directors are not paid any remuneration. They are paid sitting fee for attending Board Meetings/ Audit Committee Meetings as decided and approved by the Board. During the year 2011-12 Shri G.S.Gill was paid ₹ 4000/- as sitting fee for attending Board Meetings and Audit Committee Meetings.

The non-executive Government Directors are not paid any sitting fee for attending the meetings.

1.3 Code of Conduct for Directors and Senior Management Personnel :

The Code of Conduct for Business Conduct and Ethics for all Board Members and Senior Management Personnel as per the Corporate Governance Guidelines 2010 was adopted in the month of July 2010 and has been displayed in the Company's website in accordance with the Guidelines on Corporate Governance 2010.

CEO/CFO CERTIFICATION FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH 2012.

- a. We have reviewed the Company's Balance sheet as at 31st March 2012, the Profit and Loss Account (Financial Statements) and the Cash Flow Statement as on that date and that to the best of our knowledge and belief :-
- These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - These documents together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:-
- Significant changes in Internal Control for Financial Reporting during the Financial Year 2011-12.
 - Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements, and
- e. There have been no instances of significant fraud of which we have become aware of or any involvement therein, of the management or any employee having significant role in the Company's internal control system over Financial Reporting.

Place : Kolkata
Dated : 27th August 2012

SHRI CHANDAN CHOUDHURI
Director (Finance)

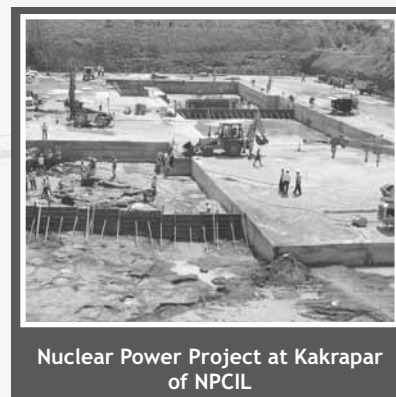
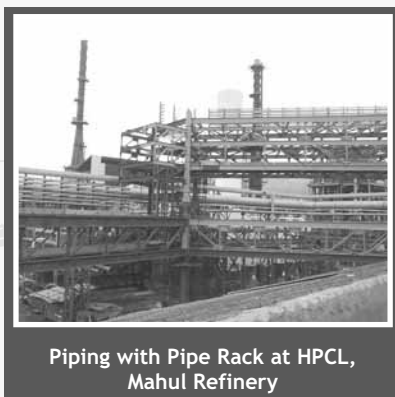
MANAGEMENT DISCUSSION & ANALYSIS REPORT :

Management Discussion and Analysis Report forms part of the Directors' Report.

MEANS OF COMMUNICATION :

The results of the Company are put up on the Company's corporate website: www.bridgeroof.co.in. The Company's official news releases are also available on the Company's website. In addition, the Company communicates major achievements and important events taking place in the Company through Press and Electronic Media and to the Board of Directors.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.



COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF BRIDGE & ROOF CO.(INDIA) LIMITED, KOLKATA FOR THE YEAR ENDED 31ST MARCH 2012.

The preparation of financial statements of Bridge & Roof Co. (India) Limited, Kolkata for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 14th August 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3)(b) of the Companies Act, 1956 of the financial statements of Bridge & Roof Co.(India) Limited, Kolkata for the year ended 31st March 2012. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Nandana Munshi)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board- I.
KOLKATA

Place : Kolkata
Date : 23rd August 2012



AUDITORS' REPORT TO THE MEMBERS OF BRIDGE & ROOF COMPANY (INDIA) LIMITED

We have audited the attached Balance Sheet of Bridge & Roof Company (India) Limited as at 31st March 2012 and also Statement of Profit & Loss and Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows :

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) Order, 2004 (the 'Order'), issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examinations of these books.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - (e) In terms of Department of Company Affairs General Circular No 8/2002 dated March 2002, Government Companies are exempted from the applicability of the provision of section 274(1)(g) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes to Financial Statements and the Significant Accounting Policies appearing thereon as per 'Note No 23 and Note 24', annexed give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with Generally Accepted Accounting Principles in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - ii) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date.

And

- iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **AGARWAL KEJRIWAL & CO.**
Chartered Accountants
Regd. No. : 316112E

For **R. KOTHARI & CO.**
Chartered Accountants
Regd. No. : 307069E

MAHADEV AGARWAL
Partner
Membership No. 052474

KAILASH CHANDRA SONI
Partner
Membership No. 057620

Place : Kolkata
Dated: 14th August 2012

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

Referred to in Paragraph 1 of the Auditors' Report of even date to the members of **Bridge & Roof Company (India) Limited** on the financial statements for the year 31st March 2012; we report the followings:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets in a computerized system ERP module.
- (b) Fixed Assets pertaining to sites have been physically verified by the management during the year and in our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the Company.
- (ii) (a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of business.
- (c) The company has maintained proper records of inventory. In our opinion, discrepancies noticed on physical verification were not material in relation to the operation and size of the company and the same have been properly dealt within the books of accounts.
- (iii)(a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956. Hence, the provisions of clause (iii) (b), (c), (d) of paragraph 4 of the order are not applicable.
- (b) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956 and accordingly the provisions of clause (iii) (f) and (g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us there exists an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations given to us, no transactions of sale, purchase or supply of any goods, materials or services in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956. Hence the provisions of clause (v) (b) of paragraph 4 of the order are not applicable.
- (vi) The company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of section 58A and Section 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
- (vii) In our opinion, the company has an internal audit department commensurate with the size and nature of its business. However, the scope of Internal Audit needs to be strengthened.
- (viii) To the best of our knowledge and as explained to us the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of operation of the companies. The company is in the process of preparing and maintaining cost records pursuant to the rules made by the Central Government.
- (ix)(a) The Company has generally been regular in depositing undisputed statutory dues including, Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to the company during the year with the appropriate authorities though there has been slight delay in few cases.
- (b) According to the information and explanations given to us, no undisputed dues in respect of Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, cess and any other statutory dues were in arrears as at March 31st 2012 for a period of more than six months from the date on which they became payable.

(c) According to the records of the Company, the statutory dues on account of Income-Tax, Sales Tax, Wealth-Tax, Excise Duty, Cess, Service Tax etc. which have not been deposited on account of dispute are as follows :

Name of the statute	Nature of the Dues	Amount (₹ Lakh)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Demand of Assessed Tax (inclusive of Interest and Penalty).	140.32	2002-03	Sales Tax Appellate Authority
West Bengal Sales Tax Act, 1994	West Bengal Sales Tax imposed on Advertisement Rental	128.35	2002-03	Sales Tax Appellate Authority

- (x) The Company has no accumulated losses as at 31st March 2012 nor has it incurred cash losses in the Financial Year ended on that date. The Company has not incurred cash loss in the immediate preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence, the provisions of any special statute as specified under clause (xiii) (a) (b) (c) (d) of paragraph 4 of the order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Hence, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the Company.
- (xv) According to the information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Hence, the provisions of clause (xv) of paragraph 4 of the order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the company has not taken any term loans. Hence the provisions of clause (xvi) of paragraph 4 of the order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and there are no debentures outstanding at the end of the year. Hence, the provisions of clause (xix) of paragraph 4 of the order are not applicable to the Company.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **AGARWAL KEJRIWAL & CO.**
Chartered Accountants
Regd. No. : 316112E

For **R. KOTHARI & CO.**
Chartered Accountants
Regd. No.: 307069E

MAHADEV AGARWAL
Partner
Membership No. 052474

KAILASH CHANDRA SONI
Partner
Membership No. 057620

Place : Kolkata
Dated : 14th August 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(₹ Lakh)

EQUITY AND LIABILITIES :	NOTE NO.	As at 31st March, 2012		As at 31st March, 2011	
Shareholders' Fund					
Share Capital	1	5498.72		5498.72	
Reserves & Surplus	2	<u>20221.59</u>	25720.31	<u>15961.57</u>	21460.29
Non-current Liabilities					
Long term Liabilities	3	2376.55		2414.14	
Long term Provisions	4	<u>1658.93</u>	4035.48	<u>1092.48</u>	3506.62
Current Liabilities :					
Short-term borrowings	5	4525.48		4990.28	
Trade payables	6	62911.64		59855.08	
Other current Liabilities	7	22368.25		21470.48	
Short-term Provisions	8	<u>2996.16</u>	92801.53	<u>8302.83</u>	94618.67
TOTAL			<u><u>122557.32</u></u>		<u><u>119585.58</u></u>
ASSETS :					
Non-current Assets :					
Fixed assets					
Tangible assets	9	6474.46		4910.35	
Deferred tax assets	10	963.25		841.24	
Long-term Loans and Advances	11	<u>127.17</u>	7564.88	<u>386.41</u>	6138.00
Current Assets :					
Inventories	12	5359.18		4230.83	
Contracts-in-Progress		64223.70		54221.75	
Trade receivables	13	702.85		1038.89	
Cash and cash equivalents	14	2302.64		8195.93	
Short-term loans and advances	15	39215.78		36698.75	
Other current assets	16	<u>3188.29</u>	114992.44	<u>9061.43</u>	113447.58
TOTAL			<u><u>122557.32</u></u>		<u><u>119585.58</u></u>

Significant Accounting Policies and the accompanying notes 1-24 are an integral part of the Financial Statements.

For **AGARWAL KEJRIWAL & CO.**
Chartered Accountants
Regd. No. 316112E

MAHADEV AGARWAL
Partner
Membership No. 052474

For **R. KOTHARI & CO.**
Chartered Accountants
Regd. No. 307069E

KAILASH CHANDRA SONI
Partner
Membership No. 057620

Place : Kolkata
Dated : 14th August 2012

For and on behalf of the
Board of Directors

CHANDAN CHOUDHURI
Director (Finance)

M.K. SINGH
Director (Project Management)

R.K.PARMAR
Director

G.S.GILL
Director

SAUGATA MITRA
General Manager
(Finance & Accounts)

RAKHEE KAR
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ Lakh)

REVENUE	NOTE NO.	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Revenue from operations	17	126190.63	133098.80
Other Income	18	320.07	303.34
Total Revenue		<u>126510.70</u>	<u>133402.14</u>
EXPENSES			
Cost of materials consumed	19	27465.34	30948.96
Employee benefits expense	20	9916.12	8730.28
Finance costs	21	1604.28	1425.39
Depreciation		1534.22	1383.59
Other expenses	22	79161.60	82205.08
TOTAL EXPENSES :		<u>119681.56</u>	<u>124693.30</u>
Profit before Tax		6829.14	8708.84
Tax expense:			
Current Tax		2338.45	2970.69
Deferred Tax		(122.01)	(21.64)
Tax Adjustment relating to Previous year		33.14	(8.06)
Profit for the year		<u>4579.56</u>	<u>5767.85</u>
Earnings per equity share of face value of ₹ 10 each			
Basic & Diluted (in ₹)		8.33	10.49

Significant Accounting Policies and the accompanying notes 1-24 are an integral part of the Financial Statements.

For **AGARWAL KEJRIWAL & CO.**
Chartered Accountants
Regd. No. 316112E

MAHADEV AGARWAL
Partner
Membership No. 052474

For **R. KOTHARI & CO.**
Chartered Accountants
Regd. No. 307069E

KAILASH CHANDRA SONI
Partner
Membership No. 057620

Place : Kolkata
Dated: 14th August 2012

SAUGATA MITRA
General Manager
(Finance & Accounts)

RAKHEE KAR
Company Secretary

For and on behalf of the
Board of Directors

CHANDAN CHOUDHURI
Director (Finance)

M.K. SINGH
Director (Project Management)

R.K.PARMAR
Director

G.S.GILL
Director

Cash Flow Statement for the year ended 31st March 2012

(₹ Lakh)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. Cash Flows from Operating Activities :		
Profit Before Tax	6829.14	8708.84
Adjustments for :-		
Depreciation	1534.22	1383.59
Interest Income	(132.30)	(137.35)
Finance Cost	1604.28	664.82
Sale of Fixed Assets	(95.71)	(25.32)
Provision for CSR	-	117.31
Operating Profit Before Working Capital Changes	9739.63	10711.89
Increase/Decrease in other Long Term Liabilities	(37.60)	-
Increase/Decrease in other Long Term Provisions	566.46	-
Increase/Decrease in Trade Payables	3056.56	-
Increase/Decrease in other Current Liabilities	897.77	17002.43
Increase/Decrease in Short Term Provisions	(5114.95)	-
Increase/Decrease in Long Term Loans & Advances	259.22	-
Increase/Decrease in Inventories	(1128.35)	(328.46)
Increase/Decrease in Contracts-in-progress	(10001.95)	(11008.35)
Increase/Decrease in Trade Receivables	336.04	(302.05)
Increase/Decrease in Short Term Loans & Advances	(2517.03)	(8450.93)
Increase/Decrease in other Current Assets	5873.14	-
Income Taxes Paid	(2691.11)	(2290.14)
Net Cash from Operating Activities (A)	(762.13)	5334.40
B. Cash Flows from Investing Activities :		
Purchase of Fixed Assets	(3098.34)	(1834.00)
Interest Income	132.30	137.35
Sale of Fixed Assets	95.71	25.58
Net Cash from Investing Activities (B)	(2870.33)	(1671.07)

Contd...

(₹ Lakh)

C. Cash Flows from Financing Activities :

Proceeds from issuance of Share Capital	-	-
Proceeds from Long term & Short term borrowings	-	(900.00)
Finance Cost	(1604.29)	(664.82)
Dividend Paid	(164.98)	(109.98)
Dividend Tax	(26.76)	(18.26)
Net cash from Financing Activities (C)	(1796.03)	(1693.06)
Net increase in Cash and Cash Equivalents (A+B+C)	(5428.49)	1970.27
Cash & Cash equivalents at beginning of period	3205.65	1235.38
Cash & Cash equivalents at end of period	(2222.84)	3205.65

Note:

Components of Cash & Cash equivalents:

Cash & Bank Balances	2302.64	8195.93
Cash Credit/Secured Loans	(4525.48)	(4990.28)
Cash & Cash equivalents as stated above	(2222.84)	3205.65

For the year ended 31st March, 2012	For the year ended 31st March, 2011
-	-
-	(900.00)
(1604.29)	(664.82)
(164.98)	(109.98)
(26.76)	(18.26)
(1796.03)	(1693.06)
(5428.49)	1970.27
3205.65	1235.38
(2222.84)	3205.65
2302.64	8195.93
(4525.48)	(4990.28)
(2222.84)	3205.65

For **AGARWAL KEJRIWAL & CO.**
Chartered Accountants
Regd. No. 316112E

MAHADEV AGARWAL
Partner
Membership No. 052474

For **R. KOTHARI & CO.**
Chartered Accountants
Regd. No. 307069E

KAILASH CHANDRA SONI
Partner
Membership No. 057620

SAUGATA MITRA
General Manager
(Finance & Accounts)

RAKHEE KAR
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For and on behalf of the
Board of Directors

CHANDAN CHOUDHURI
Director (Finance)

M.K. SINGH
Director (Project Management)

R.K.PARMAR
Director

G.S.GILL
Director

Place : Kolkata
Dated: 14th August 2012

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

1. SHARE CAPITAL :

Authorised

6,00,00,000 Equity Shares of ₹ 10 each

Issued, Subscribed and Fully Paid up

5,49,87,155 (Previous year 5,49,87,155 Lakhs)
Equity Shares of ₹ 10 each fully paid up

	As at 31st March, 2012	As at 31st March, 2011
	6000.00	6000.00
	5498.72	5498.72
	<u>5498.72</u>	<u>5498.72</u>

A) Reconciliation of the shares outstanding

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Equity Shares				
At the beginning of the period	54987155	5498.72	54987155	5498.72
Add: Issued during the period	-	-	-	-
Less: Buy Back/ Forfeiture/ Cancelled	-	-	-	-
Outstanding at the end of the period	<u>54987155</u>	<u>5498.72</u>	<u>54987155</u>	<u>5498.72</u>

B) Terms/rights attached to equity shares

The Company has only one class of Share Capital, i.e. Equity Shares having face value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share.

C) Details of shareholder(s) holding more than 5% share in the Company

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
President of India	54627155	99.35%	54627155	99.35%

NOTES TO FINANCIAL STATEMENTS

2. RESERVES & SURPLUS :

General Reserve

At the beginning of the year
Add: Transferred from statement of Profit and Loss

Closing Balance

Surplus in the statement of Profit and Loss

At the beginning of the year
Profit for the year

Less : Proposed dividend [Dividend per share ₹ 0.50]

(Previous year ₹ 0.30)
Tax on proposed dividend
Transfer to general reserve

Closing Balance

TOTAL

(₹ Lakh)

	As at 31st March, 2012	As at 31st March, 2011
General Reserve		
At the beginning of the year	15887.57	10343.44
Add: Transferred from statement of Profit and Loss	4224.02	5544.13
Closing Balance	20111.59	15887.57
Surplus in the statement of Profit and Loss		
At the beginning of the year	74.00	42.00
Profit for the year	4579.56	5767.85
	4653.56	5809.85
Less : Proposed dividend [Dividend per share ₹ 0.50]		
(Previous year ₹ 0.30)	274.94	164.96
Tax on proposed dividend	44.60	26.76
Transfer to general reserve	4224.02	5544.13
	4543.56	5735.85
Closing Balance	110.00	74.00
TOTAL	20221.59	15961.57

3. LONG TERM LIABILITIES :

Advance received against contracts
Security Deposit Retained

TOTAL

(₹ Lakh)

	As at 31st March, 2012	As at 31st March, 2011
Advance received against contracts	2222.61	2354.75
Security Deposit Retained	153.94	59.39
TOTAL	2376.55	2414.14

4. LONG-TERM PROVISIONS :

Provision for employee benefits
Leave
Leave Travel Allowance

TOTAL

(₹ Lakh)

	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits		
Leave	1288.05	1092.48
Leave Travel Allowance	370.88	-
TOTAL	1658.93	1092.48

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

5. SHORT-TERM BORROWINGS :

Secured

Cash Credit & WCDL Accounts with

State Bank of India

Bank of Maharashtra

Bank of Baroda

Indian Bank

ICICI Bank

Yes Bank

Punjab National Bank

Bank Of India

Allahabad Bank

	As at 31st March, 2012	As at 31st March, 2011
	357.86	476.20
	1017.09	1568.86
	557.11	655.67
	612.99	472.05
	247.81	73.65
	151.44	62.98
	1202.43	1423.27
	378.75	245.18
	-	12.42
TOTAL	<u>4525.48</u>	<u>4990.28</u>

(Above Cash Credit , Working Capital Demand Loan accounts are secured by hypothecation of Stock, Contracts -in-Progress and Book Debts and are also collaterally secured pari-passu by joint mortgage of entire Fixed Assets of the Company).

(₹ Lakh)

6. TRADE PAYABLES :

Acceptances

	As at 31st March, 2012	As at 31st March, 2011
	62911.64	59855.08
TOTAL	<u>62911.64</u>	<u>59855.08</u>

(₹ Lakh)

7. OTHER CURRENT LIABILITIES :

Advance received against contracts

Income received in Advance

Other payables

	As at 31st March, 2012	As at 31st March, 2011
	7868.68	9609.46
	8602.79	1846.24
	5896.78	10014.78
TOTAL	<u>22368.25</u>	<u>21470.48</u>

NOTES TO FINANCIAL STATEMENTS

8. SHORT - TERM PROVISIONS :

Provision for employee benefits

Bonus

Leave Travel Allowance

Leave

Other Provisions

Taxation

Fringe Benefit Tax

Proposed Equity Dividend

Tax on Proposed Equity Dividend

Corporate Social Responsibilities

TOTAL

(₹ Lakh)

	As at 31st March, 2012	As at 31st March, 2011
Bonus	35.32	35.59
Leave Travel Allowance	23.17	-
Leave	176.94	105.64
Taxation	2338.45	7822.71
Fringe Benefit Tax	-	29.86
Proposed Equity Dividend	274.94	164.96
Tax on Proposed Equity Dividend	44.60	26.76
Corporate Social Responsibilities	102.74	117.31
TOTAL	<u>2996.16</u>	<u>8302.83</u>

NOTES TO FINANCIAL STATEMENTS

9. TANGIBLE ASSETS :

(₹ Lakh)

	Land	Buildings, Road Fencing	Factory Buildings	Plant and Machinery	Electrical Installation	Computer, Typewriter, Accounting Machine	Furniture & Fittings	Pump, Tube Well & Survey Instrument	Vehicles	Total
Cost or Valuation At 1st April 2010	39.67	212.89	72.63	13753.17	195.25	497.02	222.80	909.37	2234.35	18137.15
Additions				1071.25	3.42	55.69	15.85	348.65	339.14	1834.00
Disposals				0.43					0.13	0.56
Other Adjustments										
At 31st March 2011	39.67	212.89	72.63	14823.99	198.67	552.71	238.65	1258.02	2573.36	19970.59
Additions				2459.50	3.72	49.03	19.66	258.46	332.33	3122.97
Acquisitions through amalgamation										
Disposals				45.05				0.27	0.59	45.91
Other Adjustments				1.59						1.59
At 31st March 2012	39.67	212.89	72.63	17236.85	202.39	602.01	258.31	1516.21	2905.10	23046.06
Depreciation										
At 1st April 2010		113.85	66.19	10693.84	158.41	400.24	171.10	368.43	1704.90	13676.96
Charge for the Year		4.85	0.74	1004.01	5.51	46.21	11.01	101.48	209.78	1383.59
Disposals				0.24					0.07	0.31
At 31st March 2011	0.00	118.70	66.93	11697.61	163.92	446.45	182.11	469.91	1914.61	15060.24
Charge for the Year		4.71	0.58	1062.42	11.26	49.38	11.67	148.56	245.64	1534.22
Disposals				22.22				0.10	0.37	22.69
Other Adjustments				0.17						0.17
At 31st March 2012	0.00	123.41	67.51	12737.64	175.18	495.83	193.78	618.37	2159.88	16571.60
Impairment loss										
At 1st April 2010										
Charge for the Year										
At 31st March 2011										
Charge for the Year										
At 31st March 2012										
Net Block										
At 31st March 2011	39.67	94.19	5.70	3126.38	34.75	106.26	56.54	788.11	658.75	4910.35
At 31st March 2012	39.67	89.48	5.12	4499.21	27.21	106.18	64.53	897.84	745.22	6474.46

Additional Disclosures

Vehicles includes Jeeps, Mini Buses, Dumpers etc.

NOTES TO FINANCIAL STATEMENTS

		(₹ Lakh)	
		As at 31st March, 2012	As at 31st March, 2011
10. DEFERRED TAX ASSET :			
	Depreciation on Fixed Assets	582.84	547.43
	Leave Encashment	380.41	293.81
	TOTAL	<u>963.25</u>	<u>841.24</u>

		(₹ Lakh)	
		As at 31st March, 2012	As at 31st March, 2011
11. LONG-TERM LOANS AND ADVANCES :			
	Capital Advance		
	Unsecured, considered good	127.17	386.41
	TOTAL	<u>127.17</u>	<u>386.41</u>

		(₹ Lakh)	
		As at 31st March, 2012	As at 31st March, 2011
12. INVENTORIES :			
	Raw Materials	2437.74	2528.54
	Consumables & Other Materials	1767.73	800.07
	Jigs, Patterns, Tubular Structures	497.36	186.73
	Tools & Tackles	<u>679.65</u>	<u>738.79</u>
		5382.48	4254.13
	Less :		
	Provision against Non-moving stock	23.30	23.30
	TOTAL	<u>5359.18</u>	<u>4230.83</u>

		(₹ Lakh)	
		As at 31st March, 2012	As at 31st March, 2011
13. TRADE RECEIVABLES :			
	Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	301.58	213.93
	Other Receivables		
	Unsecured, considered good	401.27	824.96
	TOTAL	<u>702.85</u>	<u>1038.89</u>

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
14. CASH & BANK BALANCE :				
Cash & Cash Equivalents				
Balances with banks	1813.78		6971.28	
Cash on hand	24.81		21.61	
Remittances in Transit	201.07	2039.66	1135.82	8128.71
Other bank balances				
Margin Money Deposits	262.97		67.22	
Dividend Account	0.01	262.98	-	67.22
TOTAL		2302.64		8195.93

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
15. SHORT TERM LOANS & ADVANCES :				
Unsecured, considered good				
Deposits retained by client	14472.94		12103.66	
Security Deposits	1005.92		586.55	
Advance against contract	14436.12		16525.81	
Others	9300.80		7482.73	
TOTAL		39215.78		36698.75

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
16. OTHER CURRENT ASSETS :				
Advance Tax (including TDS)	3186.87		9061.43	
Fixed Assets held for disposal	1.42		-	
TOTAL		3188.29		9061.43

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

17. REVENUE FROM OPERATIONS :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sales:		
Inland	125737.26	132423.68
Export	373.99	724.15
	<u>126111.25</u>	<u>133147.83</u>
Sale of Scrap	323.76	202.12
	<u>126435.01</u>	<u>133349.95</u>
Less: Excise Duty	244.38	251.15
TOTAL	<u>126190.63</u>	<u>133098.80</u>

DETAILS OF SALES

Inland		
Bills Accepted/Paid/Settled	115817.01	120833.93
Export		
Bills Accepted/Paid/Settled	47.91	1054.40
TOTAL	<u>115864.92</u>	<u>121888.33</u>

ACCRETION/DECRETION IN CONTRACTS IN PROGRESS

Inland		
Closing Contracts -in-Progress	63698.14	54022.27
Less:		
Opening Contracts -in-Progress	<u>54022.27</u>	<u>42683.67</u>
Accretion/Decretion (A)	9675.87	11338.60
Export		
Closing Contracts -in-Progress	525.56	199.48
Less:		
Opening Contracts -in-Progress	<u>199.48</u>	<u>529.73</u>
Increase/(Decrease)(B)	326.08	(330.25)
Net Increase/(Decrease) [(A) + (B)]	<u>10001.95</u>	<u>11008.35</u>

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

18. OTHER INCOME :

Interest Income :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Bank deposits	7.23	4.09
Others	125.07	133.26
Net gain on sale of fixed assets	95.71	25.32
Sundry Income	24.74	87.98
Net Foreign exchange gain	67.32	52.69

TOTAL

320.07

303.34

(₹ Lakh)

19. COST OF MATERIAL CONSUMED :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Inventories at the beginning of the year	4254.13	3920.67
Add: Purchases	28593.69	31282.42
Less: Inventories at the end of the year	5382.48	4254.13

TOTAL

27465.34

30948.96

(₹ Lakh)

20. EMPLOYEE BENEFITS EXPENSE :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Salaries, Wages and Bonus	7859.94	7207.40
Contributions to Provident and other funds	778.00	749.63
Gratuity Fund Expenses	403.07	48.51
Staff welfare expenses	875.11	724.74

TOTAL

9916.12

8730.28

(₹ Lakh)

21. FINANCE COSTS :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest expense		
Government of India	-	70.99
Bank Borrowings	732.71	391.86
Others	257.67	201.97
Other Borrowing Cost	613.90	760.57

TOTAL

1604.28

1425.39

NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

22. OTHER EXPENSES :

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Labour & Sub-Contract Cost	64593.47	67954.95
Power and Fuel	2608.22	2771.90
Rent	1142.80	1039.97
Hire Charges of Equipment	3197.67	2866.55
Repairs		
Buildings	39.05	101.04
Plant & Machinery	739.79	879.82
Insurance	165.93	172.69
Rates and taxes	3014.70	2429.67
Advertisement	93.80	92.16
Subscription	18.76	19.49
Travelling Expenses	711.82	641.07
Conveyance Expenses	765.98	775.22
Printing & Stationery	158.28	132.83
Miscellaneous Expenses	803.61	1286.30
Legal Expenses	90.08	100.97
Directors' fee	0.04	0.02
Transport & Handling Charges	851.90	676.33
Postage & Telephone	163.27	135.79
Auditors' Remuneration	2.43	2.32
Provision against non-moving stock	-	5.00
Provision against Corporate Social Responsibilities	-	120.99
TOTAL	79161.60	82205.08

ADDITIONAL NOTES TO FINANCIAL STATEMENTS

(₹ Lakh)

NOTE 23

a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of

i) Raw Materials	-	495.33
ii) Components & Spares	4.47	-
iii) Capital Goods	212.42	-
	216.89	495.33

b) Expenditure in foreign currency during the financial year

i) Royalty, know-how, professional and consultation fees	-	-
ii) Interest	-	-
iii) Others	24.11	1223.11
	24.11	1223.11

c) Earning in Foreign Currency

i) Exports (Foreign Projects)	47.91	1054.40
	47.91	1054.40

(₹ Lakh)

d) Value of Imported & Indigenous Consumption

(i) Raw Materials Consumed

Imported
Indigenous

For the year ended 31st March, 2012		For the year ended 31st March, 2011	
Value	(%)	Value	(%)
-	-	604.27	1.60
<u>27460.87</u>	<u>99.98</u>	<u>24537.82</u>	<u>79.32</u>
<u>27460.87</u>	<u>99.98</u>	<u>25142.09</u>	<u>80.92</u>
(ii) Components & Spares Parts Consumed			
Imported			
4.47	0.02	-	-
Indigenous			
-	-	5902.08	19.08
<u>4.47</u>	<u>0.02</u>	<u>5902.08</u>	<u>19.08</u>
e) Payments to the auditor			
Audit Fees			
1.63		1.63	
Fees for taxation matters			
0.48		0.48	
Payment for reimbursement of expenses;			
0.32		0.21	
<u>2.43</u>		<u>2.32</u>	

f) Contingent Liabilities and Commitments

(i) Contingent Liabilities

- Counter-Guarantee of ₹ 95000 lakhs given to the Banks in respect of Guarantees given by them on behalf of the Company (Previous year - ₹ 67000 lakhs).
- Claims not acknowledged as debt amounting to ₹ 1387.20 lakhs in respect of Sales Tax, Service Tax & Income Tax (Previous year - ₹ 655.33 lakhs).
- Disputes pending before the Civil Courts, the exact liabilities of which are not ascertainable except to the tune of ₹ 3.15 lakhs (Previous year - ₹ 3.15 lakhs).

(ii) Commitment

- Commitments on account of unexecuted Capital Expenditure ₹ 1706.07 lakhs (net of advance) (Previous year - ₹ 1100.28 lakhs).
- g) There are no Micro, Small and Medium Enterprises as per THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company and the same has been relied by the auditors.
- h) The Company has a single segment namely construction including fabrication. It includes Civil and Mechanical Construction and Structural Fabrication activities executed against orders received from clients. Therefore, Segment Reporting as defined in Accounting Standard AS 17 issued by The Institute of Chartered Accountants of India, is not required.
- i) As directed by Committee on Disputes (COD), in regard to resolve the issue between NHAI and the Company arising out of the contract awarded by NHAI for "rehabilitation, strengthening and four laning of Jalandhar-Phatankot section, Bhogpur to Mukerian (Km. 26 to 70) of NH1A in the state of Punjab contract package no. NS-38/PB", the matter has been referred to Arbitration.
- j) In order to resolve the dispute between IOCL and the Company arising out of execution of contracts awarded in 2003 and in 2006 at Panipat Refinery, the matter has been referred to Permanent Machinery of Arbitration (PMA), DPE on 25.2.2011.

- k) Deferred Tax assets has been recognized as Management considered it prudent to do so this year in view of reasonable certainty that sufficient taxable income would be available to realize these assets within a reasonable future time period. Break up of deferred tax assets recognized is given below :

	(₹ Lakh)	
	31.03.2012	31.03.2011
Depreciation on Fixed Assets	582.84	547.34
Leave Encashment	380.41	293.81
	963.25	841.15

- l) Earning Per Share :

	31.03.2012	31.03.2011
Net Profit (PAT) (₹ Lakhs)	4579.56	5767.85
No. of Shares	54987155	54987155
Face Value per share (₹)	10.00	10.00
Basic and Diluted EPS (₹)	8.33	10.49

- m) Contracts-in-Progress includes extra /substituted work and other claims for ₹ 1418.75 lakhs (Previous year ₹ 1844.63 lakhs) considered realizable by the Company, pending certification / acceptance by client / consultant .
- n) Contracts-in-Progress consists of ₹ 57077.44 lakhs for running jobs and ₹ 7146.26 lakhs for closed jobs (Previous year ₹ 47564.21 lakhs and ₹ 6657.54 lakhs).
- o) Evaluation has been carried out of the assets to comply with the Accounting Standard - 28 'Impairment Of Assets' issued by The Institute Of Chartered Accountants Of India. On review of assets no adjustment was required to be made.
- p) In absence of reply from parties for confirmation, receivable and payable, balances are taken as per books of accounts.
- q) Disclosure pursuant to requirements of Accounting Standard 7 “Construction Contracts” :

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st	
		2012	2011
1	Contract Revenue recognised in the period.	122600.49	128509.20
2	Contract costs incurred and profit recognized upto the reporting date for Contracts in Progress.	155206.62	145099.50
3	Amount of customer advances outstanding for contract in progress as at the end of the financial year.	18694.08	18468.90
4	Retention amounts due from customer for contracts in progress as at the end of the financial year.	14472.94	12103.66

- r) As per Accounting Standard 15 “Employee benefits”, the disclosures as defined in the Accounting Standard are given below :

Net employees benefit expense recognised in the profit and loss account:

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Current Service Cost	96.23	31.42	123.46	33.03
2	Interest cost on benefit obligation	174.61	95.96	165.41	95.52
3	Expected return on plan assets	(192.19)	NIL	(188.38)	NIL
4	Net actuarial loss recognised in the year	334.09	277.84	(51.98)	17.18
5	Past service cost	NIL	NIL	NIL	NIL
6	Net Benefit Expense	403.07	405.22	48.51	145.73

Details of defined benefit obligation:

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Defined benefit obligation	2399.75	1464.99	2239.84	1198.12
2	Fair value of plan assets	2398.67	0.00	2241.83	0.00
3	Present value of unfunded obligations	(1.08)	(1464.99)	1.99	(1198.12)
4	Less: Unrecognised past service cost	0.00	0.00	NIL	NIL
5	Plan Liability	(1.08)	(1464.99)	1.99	(1198.12)

Changes in the present value of the defined benefit plan are as follows:

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Opening defined benefit obligation	2239.84	1198.12	2142.51	1249.39
2	Interest cost	174.61	95.96	165.41	95.52
3	Current service cost	96.23	31.42	123.46	33.03
4	Benefits paid	(371.27)	(138.35)	(299.19)	(197.00)
5	Actuarial Losses on obligation	260.34	277.84	107.65	17.18
6	Exchange rate variation	NIL	NIL	NIL	NIL
7	Closed defined benefit obligation	2399.75	1464.99	2239.84	1198.12

Changes in the fair value of plan assets are as follows:

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Opening fair value of plan assets	2241.83	0.00	1970.41	0.00
2	Expected return	192.19	0.00	188.38	0.00
3	Contributions by employer	409.67	138.35	222.60	197.00
4	Benefits paid	(371.27)	(138.35)	(299.19)	(197.00)
5	Actuarial Gains/(losses)	(73.75)	0.00	159.63	0.00
6	Exchange rate variation	NIL	NIL	NIL	NIL
7	Closing fair value of plan assets	2398.67	0.00	2241.83	0.00

Sl.No.	Actuarial Assumptions	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Discount Rate (%)	8.75%	8.75%	8.50%	8.50%
2	Expected Return on Plan Assets	8.75%	8.75%	8.50%	8.50%

Amounts for the current and previous period are as follows:

(₹ Lakh)

Sl. No.	Particulars	Year Ended March 31st 2012		Year Ended March 31st 2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Defined benefit obligation	2399.75	1464.99	2239.84	1198.12
2	Plan assets	2398.67	0.00	2241.83	0.00
3	Surplus/(deficit)	(1.08)	(1464.99)	1.99	(1198.12)
	Experience adjustments on plan liabilities	NIL	NIL	NIL	NIL
5	Experience adjustments on plan assets	NIL	NIL	NIL	NIL

s) Research and development expenses:

(₹ Lakh)

Sl. No.	Particulars	2011-2012	2010-2011
1	Capital Expenditure	NIL	NIL
2	Revenue Expenditure	16.10	11.45

- t) Miscellaneous Expenses include ₹ 506.74 Lakhs (Previous Year ₹ 674.31 Lakhs) withheld by client from bills for various purpose. Subsequent realisation of such amount is considered as income in the year of settlement/realisation.
- u) Previous year's figures have been regrouped, recasted and rearranged wherever necessary to conform to this year's classification.

24. SIGNIFICANT ACCOUNTING POLICIES :

a. SYSTEM OF ACCOUNTS :

The Accounts of the Company are prepared under the convention of Historical Cost and Going Concern Concept in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The Company follows Mercantile system of accounting.

b. USE OF ESTIMATES :

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c. FIXED ASSETS AND DEPRECIATION :

Fixed Assets are stated at Cost less Depreciation.

Depreciation is provided on “Written Down Value” as per rate and rules prescribed in Schedule XIV of the Companies Act, 1956 on pro rata basis.

d. IMPAIRMENT OF TANGIBLE ASSETS :

The Company has a policy of reviewing the carrying amount of the fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected for continuing use of the assets and from its disposal are discounted to their present value using an appropriate rate that reflects the current market assessments of time value of money and the risks specific to the asset.

e. VALUATION OF INVENTORY :

Steel stock comprising of full size and leavings/off-cuts which are usable in the process of fabrication are valued at the lower of cost and net realizable value. Weighted average formula is used for measuring cost of steel stock. Site stock of raw materials are valued at the lower of cost and net realisable value and FIFO cost formula is used.

In the case of structural jobs, work not covering all the stages of production are valued at the lower of cost and net realizable value using weighted average cost formula. Consumables and other materials at works / site are valued at the lower of cost and net realisable value using FIFO cost formula.

Value of Jigs, Patterns, Tubular Structures and other temporary structures are valued at cost using FIFO cost formula.

Value of Tools & Tackles are determined using weighted average cost formula and 20% of the cost are written off every year on account of wear and tear.

f. ACCOUNTING FOR CONSTRUCTION CONTRACTS :

The Company followed the percentage of completion method for accounting of construction contracts, following the accounting standard in the case of Construction Contracts issued by the Institute of Chartered Accountants of India (ICAI), so as to incorporate in the accounts profit of the incomplete contracts, after taking into consideration the technical assessment on conservative basis of the estimated future cost and revenue thereby making suitable adjustments in the valuation of the year-end contracts-in-progress.

g. REVENUE RECOGNITION :

In accordance with the Company's usual practice :

Sales for various divisions of Company's activities are accounted for as follows :

- i) Structural, Marine Freight Container and Railway Wagons :
The amount of bills raised for goods dispatched during the year.
- ii) Civil, Mechanical, Turnkey & Overseas:
The amount of Running Account bills raised and realised up to the year end in respect of work done up to that date and also the amount realised after the year end in full settlement of claims in respect of final bills raised for work done within the year.

Contracts-in-progress in respect of Civil, Mechanical, Turnkey and Overseas jobs has been valued at rates applicable to Running Accounts bills after making adjustments following 'Cost to Complete' basis. Work partially executed which has not reached the billing stage/next higher chargeable unit stage is valued at cost/lower stage rate. Contract-in-progress for these activities includes :

- i) Value of Running Accounts bills for work done up to the year end for which payments have not been received from the client.
- ii) Estimated value of work executed for which bills have not been raised pending measurement for work done.
- iii) Extra work executed for which bills have been raised but not settled by the client.
- iv) Value of escalation of costs for which bills have been raised but not settled by the clients.

In respect of structural and marine freight containers, contracts-in-progress includes:

- i) Goods, namely fabricated structure, containers, bunk houses and railway wagons, dispatched but not billed or reached billable stage at contractual rate.
- ii) Goods covering all stages of production but are not in deliverable stage at cost or sale price whichever is lower; and
- iii) Value of escalation bills raised, but not settled by the clients.

h. FOREIGN CURRENCY CONVERSION :

Financial statements of Foreign Operations are translated in the following manner-

- i) The assets and liabilities, both monetary and non-monetary are translated at the closing TT buying rate.
- ii) Income and expense items are translated at the average of opening and closing monthly TT buying rates.
- iii) All resulting exchange difference is accumulated in foreign currency translation reserve until disposal of the net investment and is recognised as income or as expense in the same period in which gain or loss on disposal is recognised.

i. RETIREMENT AND OTHER EMPLOYEE BENEFITS :

Employee benefits under defined benefit plans comprising of Gratuity, leave encashment, leave travel assistance are recognised based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the projected unit credit method. Actuarial liability in excess of respective plan assets is recognised during the year.

Actuarial gains and losses are recognised in the profit and loss account as income or expenses.

j. CLAIMS :

Duty Drawback, Cash Incentive, Insurance and all other claims have been accounted for as Sales/Value of work done / claims, according to the nature of transaction, on the basis of realisation / settlement.

k. MISCELLANEOUS :

Ascertainment of liability in respect of job contracts is made on the basis of advances given where finalization of rates with labour / sub contractors are under approval.

Adhoc/On-Account payments received from clients or made to suppliers/sub-contractors are treated as current liabilities or assets as the case may be, which on final settlement of bills, are adjusted against the respective accounts of Debtors and Creditors.

TEN YEARS' DIGEST

(₹ Lakh)

Sl. No.	Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1	Value of Production / Work Done	125866.90	132896.68	116201.03	93510.38	71063.17	61043.77	50651.69	45138.17	39355.19	36423.83
2	Sales	126190.60	133098.80	116328.48	93603.14	71274.30	61189.32	50831.20	45419.72	39484.62	36565.50
3	Turnover	126510.70	133402.14	116530.91	94031.77	71479.07	61267.09	51032.02	48756.03	39589.53	36663.33
4	Cost of Sales	117157.00	122341.55	107525.50	86518.18	66806.18	58333.51	48780.66	43580.60	37800.35	35115.02
5	Gross Profit before Depreciation and Interest	9353.74	10757.25	8802.98	7084.96	4468.12	2855.81	2050.54	1839.12	1684.27	1450.48
6	Depreciation	1534.22	1383.59	1361.61	1521.24	1519.03	898.19	602.96	563.54	553.31	505.14
7	Gross Profit (PBIT)	7819.52	9373.66	7441.37	5563.72	2949.09	1957.62	1447.58	1275.58	1130.96	945.34
8	Interest										
	(a) On Govt. Loans	0.00	70.99	180.28	261.34	342.63	275.36	31.44	Nil	235.26	230.13
	(b) On Other Loans	990.38	593.83	849.98	1976.58	1479.50	964.78	1105.34	1126.96	577.94	330.15
9	Profit Before Tax	6829.14	8708.84	6411.11	3325.80	1126.96	717.48	310.80	148.62	317.76	385.06
10	Provision for Tax	2249.58	2940.99	2211.03	1157.37	509.38	270.38	172.33	54.75	198.83	160.00
11	Profit after Tax	4579.56	5767.85	4200.08	2168.43	617.58	447.10	138.47	93.87	118.93	225.06
12	Gross Block	23046.06	19970.59	18137.15	17231.82	16206.06	13843.65	10967.28	10384.52	9982.51	9160.73
13	Net Block	6474.46	4910.35	4460.19	4915.44	5320.18	4326.31	2065.13	1881.36	2033.23	1764.54
14	Working Capital	22190.91	18828.91	16883.55	14176.35	12450.25	10751.96	9963.01	8709.08	6878.48	5734.11
15	Long Term Loan		—	900.00	1500.00	2100.00	2700.00	1500.00	Nil	1101.22	1101.22
16	Short Term Loan including Cash Credit	4525.48	4990.28	5379.18	6716.82	6421.48	3498.10	3494.89	5088.72	3430.61	2104.95
17	Share Capital	5498.72	5498.72	5498.72	5498.72	5498.72	5498.72	3998.72	2498.72	1397.50	1397.50
18	Reserves & Surplus	20221.59	15961.57	10385.44	6313.60	4209.51	3638.72	3203.32	3076.25	2982.38	2894.98
19	Capital Employed	29755.79	24966.91	21343.74	19091.79	17770.43	15078.27	12028.14	10590.44	8911.71	7498.65
20	Net Worth	25720.31	21460.29	15884.16	11812.32	9703.08	9102.79	7117.39	5490.32	4295.23	4169.98
21	Value Added	31523.60	31422.99	26969.38	23594.12	16639.52	13467.61	11435.35	7100.66	10164.65	8811.06
22	Salaries, Wages & Benefits	9916.12	8730.28	8046.63	8095.91	5316.04	4236.39	4148.64	4339.51	4382.75	4215.46
23	Value Added per employee	19.89	20.18	17.62	15.91	11.56	9.29	9.55	5.60	7.22	5.89
24	Contribution to Exchequer	9355.95	10828.65	11008.28	8390.00	6826.06	4074.83	1560.00	1525.00	1511.00	1531.00
25	Internal Resource Generation	6113.78	7151.44	5561.69	3689.67	2136.61	1345.29	741.43	657.41	671.07	730.20
26	Exports (including deemed exports)	373.99	724.15	3321.60	1382.41	51.62	222.63	195.27	284.68	65.14	896.97
27	No. of Employees	1585	1557	1531	1483	1439	1449	1198	1268	1408	1497
28	Value Added per Rupee of Wages	3.18	3.60	3.35	2.91	3.13	3.18	2.76	1.64	2.32	2.09
29	Net Profit to Sales	3.63%	4.33%	3.61%	2.32%	0.87%	0.73%	0.27%	0.21%	0.30%	0.62%
30	Net Profit to Net Worth	17.81%	26.88%	26.44%	18.36%	6.36%	4.91%	1.95%	1.71%	2.74%	5.40%
31	Salaries & Wages to Sales	7.86%	6.56%	6.92%	8.65%	7.46%	6.92%	8.16%	9.55%	11.10%	11.53%
32	Material consumption to production	21.82%	23.29%	25.60%	26.93%	36.27%	36.60%	37.12%	45.36%	37.27%	33.74%
33	Inventory to No. of days of production	16	12	12	26	24	20	26	27	45	18
34	Sundry Debtors to No. of days of turnover	2	3	2	3	6	6	6	8	6	8
35	Gross Profit (PBIT) to Capital Employed	31.44%	43.09%	41.24%	37.11%	25.14%	18.94%	17.05%	17.37%	18.80%	19.34%